

# Narrative Responses

## GENERAL

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### Executive Summary

The Executive summary is optional, but encouraged. If you choose to complete it, please provide a brief overview that includes major initiatives and highlights that are proposed during the next year.

Program Year 1 Action Plan Executive Summary:

The State of Alabama's Year 1 Action Plan is once again a collaboration of two administrative entities – the Alabama Department of Economic and Community Affairs (ADECA) and the Alabama Housing Finance Authority (AHFA). Individual Action Plans for CDBG, HOME, ESG and HOPWA are provided as an attachment

Much of the Plan information comes from the 2000 Census and other Census documents. Additionally, surveys of units of local governments, non-profits, and others were administered as part of our information gathering process. The goal of the State of Alabama Year 1 Action Plan is to provide a guide for administering and effectively blending federal dollars with local initiatives, both public and private sector, to address those needs identified in the strategic planning process.

For the Year 1 Action Plan, **Community Development Block Grant** funding may be used for a variety of purposes including community development needs, community planning, economic development needs through infrastructure and loan programs, health hazard or other urgent crises management, job creation, housing rehabilitation, etc. A new initiative regarding the Black Belt region of the state will also be implemented.

The **HOME** Program funds are scheduled to be used for new or rehabilitated multifamily rental housing across the state. HOME tenants will include families, the elderly, and other special needs households. All will be low-income and in need of affordable

housing units. **ADDI** funds will be used to provide downpayment assistance to first-time, lower income Alabamians.

**Emergency Shelter Grant** funds will be used to facilitate the needs of Alabama's homeless population. Eligible activities include conversion, rehabilitation, operating costs, essential services, and homeless prevention.

**Housing Opportunities for Persons with AIDS** funds will be used primarily for rental assistance to persons and households with HIV/AIDS. Homeless prevention will be achieved through the use of Short Term Rent, Mortgage, and Utility Assistance funds. Other eligible activities will include supportive services and operating costs in support of existing AIDS housing programs, as well as supportive services, housing information and outreach services, and resource identification to access and maintain permanent/transitional supportive housing for persons with HIV disease and their families.

### **Program Contacts**

- **CDBG Program:** Shabbir Olia @ ADECA 334/242-5468
- **HOME Program:** Barbara Wallace or Haywood Sport @ AHFA 334/244-9200
- **ESG Program:** Paula Murphy @ ADECA 334/242-5462
- **HOPWA Program:** Kevin Finney @ AIDS Alabama 205/324-9822 ext. 332
- **Consolidated Plan (General):** Sandra Donaldson @ ADECA 334/353-2044

### **General Questions**

1. Describe the geographic areas of the jurisdiction (including areas of low income families and/or racial/minority concentration) in which assistance will be directed during the next year.
2. Describe the basis for allocating investments geographically within the jurisdiction (or within the EMSA for HOPWA) (91.215(a)(1) during the next year and the rationale for assigning the priorities.
3. Describe actions that will take place during the next year to address obstacles to meeting underserved needs.

Program Year 1 Action Plan General Questions response:

According to the Alabama Data County Book 2003, the State of Alabama is a rural state with a total 2002 population of 4,486,508. As the 28<sup>th</sup> largest state, it covers 51,705 square miles. Alabama's neighbor to the north is Tennessee, to the west is Mississippi, to the east is Georgia, and to the south is the state of Florida and the Gulf of Mexico. Alabama is divided into 67 counties and 447 incorporated municipalities. Eleven of these counties have populations exceeding 100,000 and 43 have populations less than 50,000. Over one million of the residents of Alabama live in counties with populations less than 50,000. Over 50 percent of Alabama's population reside in the 11 most populated counties.

Alabama has seen a 10.1 percent change in population from 1990 to 2000. All but 12 of the counties saw a growth during this time period. According to the Center for Business and Economic Research, the University of Alabama, Alabama's total population will reach 4,644,503 by 2005 and 4,838,812 by 2010. The five highest growth rate counties are Shelby, Baldwin, Madison, Lee, and Mobile. Those counties seeing the greatest population losses were Calhoun, Dallas, Sumter, Perry, and Macon. All of these losses were in Black Belt counties, except Calhoun. The Black Belt counties include Bullock, Choctaw, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Pickens, Perry, Sumter and Wilcox (as defined by the Black Belt Action Commission) .

Because Alabama's priority needs are broadly distributed throughout the state, the allocating of funds is not generally based on geography alone. CDBG funds are allocated based on a competitive process which reviews factors such as absolute number and percentage of low and moderate income people, cost per beneficiary, and other factors. HOME funds will be dispersed throughout Alabama. To ensure that the funds are geographically distributed across the state, preference points will be given to those projects located in the counties of greatest need and to counties which have not had a HOME development in at least three years. ESG's primary allocation method is based on the review of applications submitted. The HOPWA funds are distributed geographically based on a formula which reserves funds for each area of the State. The

formula is based on numbers of reported cases of HIV. A more detailed description of the allocation of the funds is provided in the action plan for each fund.

The primary obstacle to meeting the underserved needs of Alabama's residents is the sheer volume of need. Using Census data, the counties with highest or lowest occurrences of various needs can be identified. Pockets of multiple needs can also be identified. Yet, what the Census data really identify is that most counties in Alabama share the same problems and that the degree of the problem varies only slightly between the counties with the most needs and those with the least needs.

The 10 counties with the greatest concentration of housing built prior to 1960 include Butler, Calhoun, Chambers, Colbert, Covington, Crenshaw, Dallas, Etowah, Jefferson, and Randolph. The 10 counties with the greatest concentration of overcrowded residences are Barbour, Bullock, Dallas, Greene, Lowndes, Macon, Marengo, Perry, Sumter, and Wilcox. Bullock, Conecuh, Dallas, Lauderdale, Lee, Lowndes, Macon, Perry, Sumter, and Tuscaloosa counties had the highest rent as percent of income in the state, while Cullman, Elmore, Greene, Lee, Lowndes, Macon, Montgomery, Shelby, Tuscaloosa, and Wilcox counties had the highest mortgages as percent of income in the state. Lee, Lowndes, Macon, and Tuscaloosa counties were the counties with the highest rents and mortgages as percent of income in the state.

The 10 counties with the lowest median family income are Bullock, Choctaw, Conecuh, Dallas, Greene, Lowndes, Macon, Perry, Sumter, and Wilcox. The 10 counties with the greatest concentration of residents living below the poverty level are Barbour, Bullock, Dallas, Greene, Hale, Lowndes, Macon, Perry, Sumter, and Wilcox. Alabama counties with the greatest concentrations of persons over 65 are Butler, Chambers, Clay, Covington, Crenshaw, Etowah, Fayette, Geneva, Henry, and Tallapoosa counties. The counties with the greatest concentrations of people under the age of 18 are Autauga, Dallas, Greene, Hale, Lowndes, Marengo, Perry, Sumter, Washington, and Wilcox.

The largest concentrations of Black residents are located in Bullock, Dallas, Greene, Hale, Lowndes, Macon, Marengo, Perry, Sumter, and Wilcox counties. While the largest concentrations of Hispanic residents are located in Blount, Bullock, Chilton, Coffee, Dale, Decatur, De Kalb, Franklin, Limestone, and Marshall counties.

## **Managing the Process**

1. Identify the lead agency, entity, and agencies responsible for administering programs covered by the consolidated plan.
2. Identify the significant aspects of the process by which the plan was developed, and the agencies, groups, organizations, and others who participated in the process.
3. Describe actions that will take place during the next year to enhance coordination between public and private housing, health, and social service agencies.

Program Year 1 Action Plan Managing the Process response:

The Alabama Department of Economic and Community Affairs (ADECA) is the lead agency for the development of the plan. The following agencies administer the programs covered by the Year 1 Action Plan:

- ADECA administers the Community Development Block Grant Program (CDBG) and the Emergency Shelter Grants Program (ESG). ADECA also oversees the Housing Opportunity for Persons with AIDS Program (HOPWA) that is administered by AIDS Alabama.
- The Alabama Housing Finance Authority (AHFA) administers the Home Investment Partnerships Program (HOME).

On April 24, August 18, and November 10, 2004, representatives of ADECA and AHFA met to coordinate development of the plan. In addition, there were on-going consultations between ADECA, AHFA, HOME, and AIDS Alabama. Input was solicited from the following state agencies:

- Alabama Department of Environmental Management
- Alabama Department of Human Resources

- Alabama Department of Mental Health and Mental Retardation
- Alabama Department of Public Health
- Alabama Department of Senior Services
- Alabama Department of Transportation
- Alabama Development Office
- Alabama Emergency Management Agency
- Governor's Office of Faith-Based and Community Initiative

On July 20, 2004, ADECA hosted a Program Review Session for the purpose of conducting an open dialogue regarding possible changes to the current CDBG Program. 29 persons representing regional planning and development commissions and private grant consultants attended this session.

On August 26, 2004, ADECA distributed a Community Needs Survey to over 700 entities including all chief elected officials in Alabama, regional planning and development commissions, community action agencies, continuum of care groups, non-profit organizations and private grant consultants, as well as professionals in housing and community development. 267 responses were received, a 38% response rate. The results of this survey are incorporated into the plan.

## **Citizen Participation**

Provide a summary of the citizen participation process.

1. Provide a summary of citizen comments or views on the plan.
2. Provide a summary of efforts made to broaden public participation in the development of the consolidated plan, including outreach to minorities and non-English speaking persons, as well as persons with disabilities.
3. Provide a written explanation of comments not accepted and the reasons why these comments were not accepted.

\*Please note that Citizen Comments and Responses may be included as additional files within the CPMP Tool.  
Program Year 1 Action Plan Citizen Participation response:

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#### CDBG Action Plan for FY2005

1. Comment:

Response:

#### ESG Action Plan for FY2005

1. Comment:

Response:

#### HOPWA Action Plan for FY2005

1. Comment:

Response:

#### HOME Action Plan for FY2005

1. Comment:

Response:

### **Institutional Structure**

1. Describe actions that will take place during the next year to develop institutional structure.

Program Year 1 Action Plan Institutional Structure response:

The four program administrator groups meet frequently to coordinate strategies to the greatest extent possible. The creation and coordination of the statewide homeless coalition as well as the continuum of care efforts have aided the state's ability to provide services in a coordinated manner. Every reasonable effort will be made to pursue the



"consolidated" concept and to attempt to make it work in Alabama. In most cases, the four programs serve different clientele. The needs in Alabama are so great that the state's strategy has been to let each program work to serve one set of needs. There is absolutely no duplication of effort.

Alabama relies heavily on the numerous housing and social service providers in the state to assist in the provision of services. Units of local government, program directors, and others involved in the implementation of housing and social services are consulted on a regular basis to determine the greatest needs and the best way to address them. ADECA will work with all local homeless coalitions, the Domestic Violence Council, the Continuums of Care, Community Action Agencies, the Alabama Alliance to End Homelessness and all other groups to assess and address the needs of homeless persons. ADECA, AHFA and the Governors Office have successfully identified the parties interested in the implementation of the housing and non-housing programs addressed in this plan. Further, ADECA, AHFA, and the Governor's office have developed productive communication channels with these groups. Alabama intends to continue this course in order to maximize the effectiveness of the programs.

In regards to HOPWA services, ADECA will continue to work with AIDS Alabama, the state's most experienced HIV housing provider. AIDS Alabama has implemented the statewide HOPWA program since its inception in 1994. AIDS Alabama provides more than 60,000 nights of safe, decent, and affordable HIV housing throughout the state each year. In addition to properties owned and managed by AIDS Alabama, the organization works with eight partnering AIDS Service Organizations to ensure that HOPWA resources are available in all 67 counties of the state. The partners are:

- AIDS Action Coalition – Huntsville
- Birmingham AIDS Outreach – Birmingham
- East Alabama AIDS Outreach – Auburn
- Family Clinic at UAB – Birmingham and Montgomery
- Health Services Center - Anniston

- Mobile AIDS Support Services – Mobile
- Montgomery AIDS Outreach – Montgomery
- West Alabama AIDS Outreach – Tuscaloosa

Through this network of experienced providers, HOPWA services can be delivered anywhere in the state, as every county is covered by at least one of the partners. These agencies can maximize HOPWA dollars by coordinating delivery of services with each other and with other funding sources, such as the Ryan White C.A.R.E. Act., the Veterans Administration, and McKinney-Vento homeless programs. The greatest gaps faced by these organizations is not the delivery of HOPWA services, but the lack of additional resources to increase housing stock, the extreme poverty and need within Alabama's HIV-positive population, the poor or non-existent transportation systems, and the continuing stigma and prejudice still associated with HIV and AIDS.

As to the strengths and gaps in the delivery system of these programs, the state's greatest strength is the experience of the entities who administer the Consolidated Plan programs. Both ADECA and AHFA have competent and responsible staffs to carry out the necessary details of the programs. In addition, the capacity to reach more interested parties, including non-profit groups and other community-based organizations, has increased dramatically over the last few years with technical assistance workshops, training sessions, etc. Other strengths include the ability to layer different sources of subsidy to maximize eligible activities. The combination of city funds and state funds or the layering of HOME dollars and Low Income Housing Tax Credits are examples of this strength. Among the gaps encountered are the myriad of regulations and red tape inherent with federal programs. The largest gap thus far has been the lack of financial resources to carry out each program to its full potential.

As discussed previously, the primary obstacle to service delivery in Alabama is the sheer volume of need. Alabama has some of the poorest counties in the nation. Alabama has incredible employment, medical, educational, and housing needs in the Black Belt counties. However, the Delta Region and the Appalachian Region also have

severe needs. Alabama will continue to coordinate efforts between state agencies and individual service providers to ensure the most efficient use of limited federal dollars. When possible, multiple funding sources will be utilized to maximize the impact of individual projects or initiatives. However, Alabama's current priority is to prevent the duplication of efforts so as to spread resources among the areas with the greatest needs.

Continued review of the competitive rating systems of some of the state's grant funds will also help to ensure the equitable and efficient distribution of funds. Annual reviews of the CDBG grant process have been effective in improving service delivery.

## **Monitoring**

1. Describe actions that will take place during the next year to monitor its housing and community development projects and ensure long-term compliance with program requirements and comprehensive planing requirements.

Program Year 1 Action Plan Monitoring response:

The HUD formula and entitlement funding received by the state each year, is administered by ADECA and AHFA. The directors of these programs and their subrecipients have developed detailed monitoring programs to ensure compliance with all state and federal regulations. Generally, HUD monitorings of Alabama's programs end with favorable reviews or minor compliance issues that need to be addressed. Alabama has an excellent track record of resolving all concerns and finding in a timely and conscientious manner. A more detailed review of the monitoring programs established by the Consolidated Plan programs is provided below.

## **CDBG Program**

On behalf of the State of Alabama, ADECA does an on-site monitoring review of all CDBG construction grants at least once during the life of the project. Areas reviewed for compliance include adherence to one or more of the program's national objectives, eligibility, financial management, civil rights, environmental concerns, citizen

participation, timeliness, procurement, contract management, labor standards enforcement, acquisition, relocation, job creation, and housing as appropriate.

The State utilizes a computerized tracking system to initiate each monitoring visit at the point when a reasonable percent of the grant has been drawn down. Currently, most monitoring visits are scheduled at the time at least 30 percent of the funds have been drawn. The system also tracks the resulting resolution of any findings made in a timely manner.

After each monitoring visit, a report is written to the grantee to explain the results of the review. Monitoring determinations range from “acceptable” to “finding” with appropriate corrective measures imposed. Corrective measures may include certifications that inadequacies will be resolved, documentary evidence that corrective actions have been instituted, reimbursement of disallowed costs, or other sanctions which limit the grantee’s future participation in the program. Furthermore, no grant can be closed until all monitoring findings have been satisfactorily resolved.

## **HOME Program**

Under HOME Program guidelines, AHFA is required to conduct annual on-site inspection of recipients to determine compliance with the rules and regulations of Title II of the National Affordable Housing Act & 24CFR Part 92. The compliance monitoring procedures and requirements are as follows:

1. AHFA will conduct on-site inspections of all HOME projects each year to review the current tenant files for adherence to occupancy and rent restrictions as established by Alabama’s HOME program.
2. Owners must certify annually under penalty of perjury that the owner has received an annual low income certification from each low income tenant and documentation to support these certifications, that each low-income unit is

rent-restricted under HOME Guidelines and that the project meets all the requirements of the HOME program.

3. Owners may be allowed up to a 90 day correction period to supply missing documentation or to correct noncompliance. This correction period begins the earlier of the date the notification is mailed or the date of inspection.
4. AHFA has the right to inspect HOME Funded projects any time during the compliance period including, but not limited to, on-site inspections and review of all records relating to compliance with HOME requirements. AHFA may require copies of the tenant certifications and supporting documentation to be forwarded to AHFA.
5. Compliance with requirements of the HOME program is the responsibility of the owner of the building for which the funds were distributed. AHFA's obligation to monitor for compliance with the requirements of the HOME program does not make AHFA or the State of Alabama liable for an owner's noncompliance.

## **ESG Program**

The State monitors ESG grants by going onsite to review program records and to make limited visits to sub-recipients to observe activities being carried out. The state has checklists for important program areas such as financial, environmental, etc. After each monitoring visit, a report is written to the grantee to explain the results of the review. Results range from "acceptable" to "concern" to "finding" with appropriate corrective measures being applied. Such measures may include certifications that shortcomings will be addressed, documentary evidence that corrective actions have been undertaken, reimbursement of disallowed costs, or other sanctions. Similar to CDBG, grants will not be closed if findings are unresolved.

## **HOPWA Program**

Alabama's FY 2005 HOPWA Program is being administered by ADECA through a sub-recipient, AIDS Alabama, located in Birmingham. The state monitors this sub-recipient at least once a year through on-site visits to AIDS Alabama and any of their sub-recipients. Monitoring is designed to assure compliance with applicable laws and regulations. Additionally AIDS Alabama receives an annual external audit to monitor compliance with Generally Accepted Accounting Principles (GAAP) and with all applicable HUD regulations. AIDS Alabama annually monitors all of its sub-recipients across the state to ensure compliance with all applicable laws and regulations and to monitor compliance with GAAP.

## **Lead-based Paint**

1. Describe the actions that will take place during the next year to evaluate and reduce the number of housing units containing lead-based paint hazards in order to increase the inventory of lead-safe housing available to extremely low-income, low-income, and moderate-income families.

Program Year 1 Action Plan Lead-based Paint response:

Based on the estimates provided in the 5-Year Consolidated plan (submitted under separate cover), approximately 727,927 or approximately 41 percent of the occupied housing units in Alabama pose a lead-based paint hazard. Approximately 40 percent of owner occupied units and 46 percent of renter occupied units pose a lead-based paint hazard. Except for Dallas county, the counties with the greatest concentration of housing built prior to 1960 do not correspond to the counties with the greatest number of people living below poverty or with the lowest median family income.

Currently, Alabama's CDBG program is the program most likely to be used for a project involving lead-based paint hazards. The state encourages all persons engaged in CDBG funded housing rehabilitation projects to presume lead is present if the house was constructed prior to 1979, therefore, no risk assessment or prior testing is required.

The CDBG program has issued recommendations, rather than requirements in order to maintain program flexibility. The Alabama CDBG program lead-based paint hazard recommendations are summarized below.

1. Prepare local housing rehabilitation policies and implement lead abatement requirements for units for which rehabilitation costs exceed \$25,000.
2. Unless otherwise specified in an approved application, the local housing rehabilitation policies should specify that the standard treatment option per 24 CFR Part 35 et. al., will be used.
3. Have the housing rehabilitation inspector and a representative for all potential contractors take the University of Alabama course entitled “Lead Safe Work Practices for Renovators and Remodelers.” If the housing rehabilitation inspector will serve as a Lead Sampling Technician, then the inspector should take the University of Alabama course (or an equivalent course which has been approved by DHUD) entitled “Lead Sampling Technician Course”.
4. Determine if de minimis levels are involved. If so, then safe work practices are not required and clearance testing is not required.
5. Provide the proper notices to occupants.
6. Determine what work (involving standard treatments and basic rehabilitation that will not impact painted surfaces) will need to be done and identify a plan to work room-by-room with the occupants. Outside construction work will need to be performed prior to any soil treatments. Treatment of any potentially contaminated soils will need to be done with either impermanent surface coverings or land use controls.
7. Avoid relocation of occupants, if at all possible, because of budgetary constraints. Sealing the work area and use of a 10’ containment area will likely be sufficient as

long as access to the bath, kitchen and adequate sleeping areas are provided after work is complete on a daily basis. Note that the project will have to be completed within five days.

8. Perform clearance examination per procedures and use appropriate procurement practices to identify a qualified Accredited Inspector or Risk Assessor as per accreditation provided by Safe State. It should be noted that Safe State maintains a list of qualified firms that can provide these services.
9. Other than the above, typical procedures and housing standards, per the adopted rehabilitation policies should be followed. Many of the standard treatments prescribed by 24 CFR Part 35 are already being used because they are necessary to correct code violations and to create safe and sanitary living spaces.

The overall goal of the recommendations listed above is to reduce lead-based paint hazards in CDBG funded housing rehabilitation projects over the next five years. The strategy has been broken into four parts below:

1. Coordinate state and local jurisdictions with public and private efforts to address and rectify the problem of reducing lead-based paint hazards and protecting young children from lead poisoning.
2. Integrate lead hazard evaluation and reduction activities into existing housing programs.
3. Develop technical capacity to ensure that the technical aspects of assessment and lead hazard reduction are managed properly.
4. Increase knowledge of lead safe practices among parents, property owners, and renovators of CDBG rehabilitated homes.



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## HOUSING

### Specific Housing Objectives

\*Please also refer to the Housing Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve during the next year.
2. Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

As has been described in the previous sections, the State of Alabama has a seemingly unattainable challenge to meet the affordable housing needs of tens of thousands of households, primarily those with limited incomes, including some with special needs. Despite these large numbers, the state will fully utilize all available funding sources to meet the greatest number of those needs.

The “Sweet Home Alabama” report was used in developing the specific housing objectives. As clearly outlined in the 5-Year Consolidated Plan (submitted under separate cover), the state faces a myriad of housing needs with very limited funding sources. However, the provision of affordable housing is the state’s primary objective. More specifically, the state’s objectives regarding affordable housing focus on areas which have proven to be successful in the past.

1. Provide new and rehabilitated rental housing for extremely low-, low-, and moderate-income households.
2. Provide down payment assistance for first-time home buyers for moderate-income households.
3. Provide rental Assistance for extremely low-, low-, and moderate-income persons & families.

4. Provide rehabilitated housing for existing homeowners of extremely low-, low-, and moderate-incomes.

## **Needs of Public Housing**

1. Describe the manner in which the plan of the jurisdiction will help address the needs of public housing and activities it will undertake during the next year to encourage public housing residents to become more involved in management and participate in homeownership.
2. If the public housing agency is designated as “troubled” by HUD or otherwise is performing poorly, the jurisdiction shall describe the manner in which it will provide financial or other assistance in improving its operations to remove such designation during the next year.

Program Year 1 Action Plan Public Housing Strategy response:

The State of Alabama does not have a Public Housing Authority, therefore, this Action Plan item has not been addressed.

## **Barriers to Affordable Housing**

1. Describe the actions that will take place during the next year to remove barriers to affordable housing.

Program Year 1 Action Plan Barriers to Affordable Housing response:

The following section is an outline of strategies to overcome barriers to affordable housing. The strategies remain largely the same as those for the previous Action Plan.

## **Land Use Restrictions**

Encourage land use practices which maximize housing affordability.

1. Units of local government could institute a more equitable system of permitting new construction areas. They might require that reasonable percentage of all new planned subdivisions be targeted for more moderate-income Alabamians. This

would ensure that not all new homes in a community would be high-end (built for the more affluent). This could also be instituted for multi-family developments.

2. To the greatest extent possible, local governments should discourage consumption of land otherwise available for housing. Not only will practices to conserve land reduce overall capital costs and open up more housing opportunities, but it is more environmentally responsible to do more with less.
3. Research the feasibility of establishing zoning and minimum housing standards for Alabama's rural areas.
4. Units of local government could relax or revise subdivision regulations to accommodate affordable housing where appropriate. Following careful consideration, a revised and less-restrictive zoning change could be made if 1) the change was practical 2) the cost impact was substantial and 3) a significant number of households were affected. For example: The requirement for underground utilities could be waived or the minimum lot size could be reduced.
5. Revised zoning and subdivision regulations could also recognize modern forms of manufactured and modular housing [see also Lack of Land Use Regulations]. Alternative housing types and alternative housing environments could be promoted wherever feasible.
6. Expand the level of infrastructure wherever available.
7. Alabama counties should continue to work closely with the Alabama Department of Economic and Community Affairs (ADECA) and other appropriate agencies and organizations to develop water and sewer lines, streets, parks and other facilities necessary for quality residential development.

8. ADECA will continue to require fair housing impediments studies for all CDBG projects.
9. ADECA will allow CDBG funded “partial” housing rehabilitation projects.
10. Each municipality (if possible) should develop a suitable industrial park (and indeed any measure to stimulate economic growth) with public water, public sewer and adequate roads. This would, at the very least, help communities to be prepared to attract industries, create jobs and form a foundation for the creation of new housing opportunities.

### **Transportation Problems**

The state will look at various transportation system improvement options during the next year, particularly those that might improve housing choice and reduce barriers to affordable housing. These may include street and road improvements as well as mass transit system improvements. Studies that might help address this situation will be closely reviewed.

### **Building Codes**

The enforcement of building codes and FHA minimum property standards is a critical safeguard that helps more than it hurts. One of the worst outcomes for lower income Alabamians who rehabilitate their homes is to deal with unscrupulous contractors. The State strongly promotes utilizing only legitimate remodelers in good standing with the Home Builders Licensure Board.

### **Costs Associated With Handicap Compliance**

Continue Present Policy. While some Alabama counties have indicated that the expense of handicap compliance is a barrier to affordable housing, it is not suggested that the State adopt any less-restrictive policy.

### **Fire Protection Costs**

The State proposes no specific strategy for this situation.

### **Lack Of Land Use Regulations**

Promote the development of planned mobile home parks. Mobile homes, despite their generally poor reputation, represent a very viable affordable housing alternative for thousands of Alabama households. Acceptance of this type of housing will only occur if these homes are placed in well-planned and coordinated community developments. These developments should offer infrastructure, landscaping, recreational facilities, etc. A continuation of random un-zoned placements of mobile homes will only strengthen the bias. Alabama communities must promote planned mobile home parks.

Remove substandard housing. Enforce or enact state and county codes which mandate condemnation of dilapidated structures. Require timely repairs or removal depending on the condition of the structure.

### **Institutional/Financial Constraints**

Ease down payment burden. AHFA will continue to offer down payment assistance to qualified home buyers with ADDI funds and with other funding sources. Other Alabama housing providers/lenders will be offering special financial programs designed to assist in the acquisition costs of a new home i.e. 100 percent financing.

Modify mortgage lending practices. While it is perennially listed as a barrier to affordable housing in every county, the criteria by which people qualify for loans will

likely remain fairly constant. Rather than suggesting that banks should suddenly stop looking at a person's credit history, it is suggested that the primary emphasis must be to educate the borrower and the lender. Alabama lenders must be made aware of state and federal programs designed to help low- and moderate-income borrowers. Borrowers in turn must be educated about home buying, budgeting, debt management, etc.

NOTE: If Alabama high school seniors are not already receiving mandatory credit counseling, the practice should be explored. One or two assemblies could be held during the 12th grade year to help prepare these young adults to act responsibly with their finances. The credit counseling could be taught by state bankers.

Alabama lending institutions should continue to explore and develop innovative and non-traditional financing and homeownership programs to assist low-income households. The concept of "sweat equity" which has worked well within the non-profit sector (i.e. Habitat for Humanity) is an excellent vehicle to allow serious and dedicated low-income Alabamians the opportunity to buy a home.

## **Fair Housing**

Continue to monitor lenders for possible discriminatory practices. This strategy is an on-going effort already being conducted by bank regulatory agencies. It is not suggested that any of Alabama's banks conduct company-wide wholesale lending practices (i.e. redlining) which discriminate against blacks, the elderly, the poor, etc., but these same lenders should continue to educate themselves in dealing with the disadvantaged. There are presently (and will always be) plenty of legitimate reasons to refuse to lend money to a family or individual or business. It is vitally important however that Alabama's lenders treat everyone the same.

Promote and legitimize quality advocacy to overcome barriers. While this strategy may not deal with housing directly, it is still worth mentioning. Minorities in Alabama still have

a long way to go to achieve equality in the workplace, in the community, in government, and in other areas such as housing. Prejudices have deep roots throughout the state. Much progress, however, has been made in the past few years and more and more Alabama institutions have been influenced by minority actions. Advocates who go to bat for the poor and disadvantaged (primarily Alabama's black population) must be knowledgeable and purposeful in their efforts. They must be persistent and patient at the same time. Discriminatory barriers in our state cannot be broken down overnight - Alabama should nevertheless be proud of what has been accomplished thus far.

### **The "NIMBY" Syndrome**

Prevent the proliferation of "planned-to-fail" developments. All new housing developments, including mobile home parks, public housing authority units, patio homes, etc., must be thoroughly planned before construction ever starts. Projected development areas must be analyzed completely for need, proximity to schools and shopping, social impact on the area, law enforcement requirements, long-term future considerations, growth projections, etc. Projects must be visually pleasing as well. Established homeowners and business people are much more likely to embrace new lower income housing developments if the projects have feasible short-term and long-term strategies. It is irresponsible to permit unregulated, ill-conceived developments to be built in a community.

### **Land Ownership Patterns**

Reform absentee landlord requirements. Require stricter code-enforcement, cite and fine landlords for renting unsafe and unsanitary below-code homes. Severely dilapidated homes should be removed from a community's housing stock.

### **Conclusion**

While so many of the priorities that form barriers to affordable housing are essentially local practices, the state will take the steps that it can to encourage and promote this goal. The state will continue to work to upgrade its Fair Housing Law to one that is equivalent to the national law. The state will use its programs (such as the CDBG Enhancement Fund), when possible, to address factors like transportation that often hampers the cause of affordable housing.

The state will emphasize that down payment assistance programs are an option under the Community Enhancement Program as well as through the other programs indicated under the preceding Institutional/Financial Restraints section.

### **HOME/ American Dream Down payment Initiative (ADDI)**

1. Describe other forms of investment not described in § 92.205(b).
2. If the participating jurisdiction (PJ) will use HOME or ADDI funds for homebuyers, it must state the guidelines for resale or recapture, as required in § 92.254 of the HOME rule.
3. If the PJ will use HOME funds to refinance existing debt secured by multifamily housing that is that is being rehabilitated with HOME funds, it must state its refinancing guidelines required under § 92.206(b). The guidelines shall describe the conditions under which the PJ will refinance existing debt. At a minimum these guidelines must:
  - a. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing.
  - b. Require a review of management practices to demonstrate that disinvestments in the property has not occurred; that the long-term needs of the project can be met; and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.
  - c. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both.
  - d. Specify the required period of affordability, whether it is the minimum 15 years or longer.
  - e. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community.
  - f. State that HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including CDBG.
4. If the PJ is going to receive American Dream Down payment Initiative (ADDI) funds, please complete the following narratives:
  - a. Describe the planned use of the ADDI funds.
  - b. Describe the PJ's plan for conducting targeted outreach to residents and tenants of public housing and manufactured housing and to other families assisted by public



- housing agencies, for the purposes of insuring that the ADDI funds are used to provide down payment assistance for such residents, tenants, and families.
- c. Describe the actions to be taken to ensure the suitability of families assisted receiving ADDI funds to undertake and maintain homeownership, such as provision of housing counseling to homebuyers.

Program Year 1 Action Plan HOME/ADDI response:

Please see the HOME/ADDI Year 1 Action Plan (attached) and the Needs.xls workbook.

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## HOMELESS

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### Specific Homeless Prevention Elements

\*Please also refer to the Homeless Needs Table in the Needs.xls workbook.

1. Sources of Funds – Identify the private and public resources that the jurisdiction expects to receive during the next year to address homeless needs and to prevent homelessness. These include the McKinney-Vento Homeless Assistance Act programs, other special federal, state and local and private funds targeted to homeless individuals and families with children, especially the chronically homeless, the HUD formula programs, and any publicly-owned land or property. Please describe, briefly, the jurisdiction's plan for the investment and use of funds directed toward homelessness.
2. Homelessness – In a narrative, describe how the action plan will address the specific objectives of the Strategic Plan and, ultimately, the priority needs identified. Please also identify potential obstacles to completing these action steps.
3. Chronic homelessness – The jurisdiction must describe the specific planned action steps it will take over the next year aimed at eliminating chronic homelessness by 2012. Again, please identify barriers to achieving this.
4. Homelessness Prevention – The jurisdiction must describe its planned action steps over the next year to address the individual and families with children at imminent risk of becoming homeless.
5. Discharge Coordination Policy – Explain planned activities to implement a cohesive, community-wide Discharge Coordination Policy, and how, in the coming year, the community will move toward such a policy.

Program Year 1 Action Plan Special Needs response:

Please see the HOME/ADDI Year 1 Action Plan (attached) and the Needs.xls workbook.

### Emergency Shelter Grants (ESG)

(States only) Describe the process for awarding grants to State recipients, and a description of how the allocation will be made available to units of local government.

Program Year 1 Action Plan ESG response:

Please see the ESG Year 1 Action Plan (attached) and the Needs.xls workbook.

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## COMMUNITY DEVELOPMENT

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### Community Development

\*Please also refer to the Community Development Table in the Needs.xls workbook.

1. Identify the jurisdiction's priority non-housing community development needs eligible for assistance by CDBG eligibility category specified in the Community Development Needs Table (formerly Table 2B), public facilities, public improvements, public services and economic development.
2. Identify specific long-term and short-term community development objectives (including economic development activities that create jobs), developed in accordance with the statutory goals described in section 24 CFR 91.1 and the primary objective of the CDBG program to provide decent housing and a suitable living environment and expand economic opportunities, principally for low- and moderate-income persons.

\*Note: Each specific objective developed to address a priority need, must be identified by number and contain proposed accomplishments, the time period (i.e., one, two, three, or more years), and annual program year numeric goals the jurisdiction hopes to achieve in quantitative terms, or in other measurable terms as identified and defined by the jurisdiction.

Program Year 1 Action Plan Community Development response:

Please see the CDBG Year 1 Action Plan (attached) and the Needs.xls workbook.

### Antipoverty Strategy

1. Describe the actions that will take place during the next year to reduce the number of poverty level families.

Program Year 1 Action Plan Antipoverty Strategy response:

According to the Alabama Labor Market News, the estimated unemployment rate for the State of Alabama in October, 2004 was 5.5 percent. This is down from the 2000 estimate of 6.4 percent. The U.S. unemployment rate for the same period was estimated to be 5.5 percent, up from the 2000 rate of 5.3 percent. However, an Alabama unemployment rate which is equal to the national rate is a rare occurrence. The 2003 estimate for percentage of Alabamians living below poverty level is 17.1

percent. In 2000, the estimate was 15.6 percent. The estimate for the nation has remained relatively constant with 12.7 percent of the population living below poverty level in 2003 and 12.2 percent falling into that category in 2000.

Because poverty is affected by so many factors, particularly the economy, it is impossible to predict what the poverty rate will be from year to year. Furthermore, the State of Alabama is currently experiencing a shift in its economic base. The state has successfully created thousands of new jobs through an aggressive economic development program. At the same time however, the state has been losing textile and other manufacturing jobs at a disturbing rate.

Consequently, the state's current goals regarding poverty are to maintain the status quo, to strive to keep the unemployment rate within two percentage points of the national unemployment rate, and to keep the percentage of the population living below poverty level within five percent of the national average. The state's primary tool in achieving this goal is its aggressive economic development strategy. Of the consolidated plan programs, the CDBG program is the one most directly utilized for economic development. Certainly, the quality of life of people living below the poverty level is improved by the other programs. Additionally, large construction projects generated by these programs contribute jobs to the state.

The following is a summary of Alabama's anti-poverty strategy for 2005-2009.

1. Continue to fund CDBG economic development projects that create large numbers of jobs and have the potential for spin-off jobs.
2. Continue to provide affordable housing by rehabilitating the existing stock through CDBG and building new affordable homes with HOME.
3. Design and implement more affordable housing programs.
4. Through the CDBG, HOME, ESG, and HOPWA programs, continue to provide funding to programs that improve the quality of life of those living below the poverty level.

5. When possible, fund projects that address a multitude of problems and utilize more than one source of funding.
6. Continue to collaborate with USDA, ARC, DRA, EDA, and EPA to efficiently fund projects that have the potential to affect the poverty level and improve the quality of life of those living below the poverty level.
7. Foster collaboration with poverty programs funded through the Department of Human Resources (Child Support Enforcement Program, the Job Opportunities and Basic Skills Training (JOBS) Program, etc.) and Community Service Block Grants (community action agencies).
8. Continue to utilize CDBG funds for programs that provide enhanced educational and social opportunities.

## NON-HOMELESS SPECIAL NEEDS HOUSING

### Non-homeless Special Needs (91.220 (c) and (e))

\*Please also refer to the Non-homeless Special Needs Table in the Needs.xls workbook.

1. Describe the priorities and specific objectives the jurisdiction hopes to achieve for the period covered by the Action Plan.
2. Describe how Federal, state, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by this Action Plan.

Program Year 1 Action Plan Specific Objectives response:

Please see the HOME/ADDI and the HOPWA Year 1 Action Plans (attached) and the Needs.xls workbook.

### Housing Opportunities for People with AIDS

\*Please also refer to the HOPWA Table in the Needs.xls workbook.

1. Provide a brief description of the organization, the area of service, the name of the program contacts, and a broad overview of the range/ type of housing activities to be done during the next year.
2. Report on the actions taken during the year that addressed the special needs of persons who are homeless but require supportive housing, and assistance for persons who are homeless.

3. Evaluate the progress in meeting its specific objective of providing affordable housing, including a comparison of actual outputs and outcomes to proposed goals and progress made on the other planned actions indicated in the strategic and action plans. The evaluation can address any related program adjustments or future plans.
4. Report on the accomplishments under the annual HOPWA output goals for the number of households assisted during the year in: (1) short-term rent, mortgage and utility payments to avoid homelessness; (2) rental assistance programs; and (3) in housing facilities, such as community residences and SRO dwellings, where funds are used to develop and/or operate these facilities. Include any assessment of client outcomes for achieving housing stability, reduced risks of homelessness and improved access to care.
5. Report on the use of committed leveraging from other public and private resources that helped to address needs identified in the plan.
6. Provide an analysis of the extent to which HOPWA funds were distributed among different categories of housing needs consistent with the geographic distribution plans identified in its approved Consolidated Plan.
7. Describe any barriers (including non-regulatory) encountered, actions in response to barriers, and recommendations for program improvement.
8. Please describe the expected trends facing the community in meeting the needs of persons living with HIV/AIDS and provide additional information regarding the administration of services to people with HIV/AIDS.
9. Please note any evaluations, studies or other assessments that will be conducted on the local HOPWA program during the next year.

Program Year 1 Action Plan HOPWA response:

Please see the HOPWA Year 1 Action Plan (attached) and the Needs.xls workbook.

## **Specific HOPWA Objectives**

Describe how Federal, State, and local public and private sector resources that are reasonably expected to be available will be used to address identified needs for the period covered by the Action Plan.

Program Year 1 Specific HOPWA Objectives response:

Please see the HOPWA Year 1 Action Plan (attached) and the Needs.xls workbook.

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## **Other Narrative**

Include any Action Plan information that was not covered by a narrative in any other section.

